

month (or 36-month) notification period has passed as of the date the section 183(e) election is made, the suspension period described in paragraph (a)(4) of this section will be tolled for the period to which the election applies and will resume the day after the tolling period ends. Tolling will begin on the date the election is made and end on the later of the date the return for the last taxable year to which the election applies is filed or is due without regard to extensions.

(ii) *Example.* In taxable year 2007, taxpayer begins training and showing horses. On January 4, 2011, the taxpayer elects under section 183(e) to defer the determination of whether the horse-related activity will be presumed (under section 183(d)) to be engaged in for profit. Accordingly, under section 183(e)(1), a determination of whether the section 183(d) presumption applies will not occur before the close of the 2013 taxable year. Assume that in 2014, the IRS is considering issuing a notice of deficiency for taxable year 2009 regarding tax deductions claimed for the horse-related activity. Pursuant to paragraph (c)(2)(i) of this section, the 36-month notification period under paragraph (a)(1) of this section will be tolled with respect to taxable year 2009 for the period to which the section 183(e) election applies. This tolling of the notification period begins on January 4, 2011 (the date the taxpayer made the section 183(e) election) and ends on the later of April 15, 2014, or the date the taxpayer's return for taxable year 2013 is filed.

(d) *Effective/Applicability date.* Paragraph (b)(5) of these regulations applies to interest relating to listed transactions and undisclosed reportable transactions accruing before, on, or after October 3, 2004. Paragraphs (a), (b)(1) through (b)(4), and (c) are effective on August 22, 2011.

[T.D. 9488, 75 FR 33993, June 16, 2010, as amended by T.D. 9545, 76 FR 52261, Aug. 22, 2011; 76 FR 60373, Sept. 29, 2011]

§ 301.6405-1 Reports of refunds and credits.

Section 6405 requires that a report be made to the Joint Committee on Taxation of proposed refunds or credits in excess of \$100,000 of any income tax (in-

cluding any qualified State individual income tax collected by the Federal Government), war profits tax, excess profits tax, estate tax, or gift tax. An exception is provided under which refunds and credits made after July 1, 1972, and attributable to an election under section 165(h) to deduct a disaster loss for the taxable year in which the disaster occurred, may be made prior to the submission of such report to the Joint Committee on Taxation.

[T.D. 7577, 43 FR 59376, Dec. 20, 1978]

§ 301.6407-1 Date of allowance of refund or credit.

The date on which the district director or the director of the regional service center, or an authorized certifying officer designated by either of them, first certifies the allowance of an over-assessment in respect of any internal revenue tax shall be considered as the date of allowance of refund or credit in respect of such tax.

RULES OF SPECIAL APPLICATION

§ 301.6411-1 Tentative carryback adjustments.

For regulations under section 6411, see §§ 1.6411-1 to 1.6411-4, inclusive, of this chapter (Income Tax Regulations).

§ 301.6413-1 Special rules applicable to certain employment taxes.

For regulations under section 6413, see §§ 31.6413(a)-1 to 31.6413(c)-1, inclusive, of this chapter (Employment Tax Regulations).

§ 301.6414-1 Income tax withheld.

(a) For rules relating to the refund or credit of income tax withheld under chapter 3 of the Code on nonresident aliens and foreign corporations and tax-free covenant bonds, see § 1.6414-1 of this chapter (Income Tax Regulations).

(b) For rules relating to the refund or credit of income tax withheld under chapter 24 of the Code from wages, see § 31.6414-1 of this chapter (Employment Tax Regulations).